Rajasthan State Co-operative Bank for computerisation from Co-operative Development Fund.

Irregularities in Deduction Granted in Income Tax Act

7550. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the CAG has pulled up the Ministry of Finance for making major mistakes and irregularities in the allowance of deductions granted under Section 80-O of the income Tax Act and that the comments referred to the Ministry as back as in September, 1993 thereon still not replied/sent to the Comptroller and Auditor General of India as reported in the 'Hindustan Times' dated the 26th May, 1994;

(b) if so, the details thereof, State-wise and case-wise violation of provisions of the Section as reported/maintained in a Centralised manner;

(c) whether it is a fact that agreements with foreign parties resulted in under charging of tax of Rs. 185.26 lakh in 13 cases, if so, the details thereof and reasons therefor; and

(d) what steps taken so far by his Ministry to rectify the mistakes/procesdures/irregularities, etc. and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY (a) Yes, Sir, The C&AG of India have in their Annual Report for 1992-93 on Direct Taxes have included a Systems Review of the Exemption under section 80-O of the Income Tax Act 1961.

(b) The Review Para on Exemption under section 80-O has been replied to from March 1994 in parts from time to time after due scrutiny of the objections raised and ascertaining facts of each case. A composite reply of the Ministry has also been sent on 19-5-1994. Facts are being ascertained in respect of three cases of West Bengal charge and six cases of Delhi charge. Wherein the audit have pointed out mistakes in allowance of deduction computed on gross receipts, allowance of deduction under Section 80-O in respect of deduction available under section 80 HHB (deduction in respect of profits and gains from project outside India) and grant of deduction in respect of amount received not within stipulated time. No centralised information is maintained in respect of Audit objection on exemption under section 80-0.

(c) It is true that the Audit has listed 13 cases of irregular grant of exemption under section 80-O in para 2-2-4(i) wherein the loss to the revenue has been stated to be Rs. 185.26 lakhs involving Assessment years 1985-86 to 1991-92. The exemption granted have been found to be in order and the objections have not been found acceptable in the 13 cases.

(d) In view of reply to part (c) above —Not Applicable.

Decline in houshold savings

7551. SHRIMATI KAMLA SINHA: Will the Minsster of FINANCE be pleased to state:

(a) whether it is a fact that Indian household savings contribute to about four-fifths of the total domestic savings in the country;

(b) whether it is a fact that in absolute terms household savings were more than seven thousand crores in the year 1993;

(c) whether it is also a fact that after introduction of the New Economic Policy and GATT agreement, domestic savings, including household savings, have steadily declined; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKAR MURTHY (a) to (d) The latest figures as released by